

PART 5 FUNDRAISING AND POLITICAL ACTIVITIES OF THE NATIONAL PARTIES AND ADMINISTRATIONS

Chapter 25: DNC and RNC Fundraising Practices and Problems

The 1996 federal election cycle set a record for the amount of money raised and spent by federal candidates and their parties in the quest to obtain victory at the polls. During the election cycle, both parties leveled well worn allegations at each other of improper or illegal fundraising practices and other wrongdoings, proclaiming that they were shocked at the opposing party's activities. In past election cycles, these allegations were largely forgotten after the electoral dust settled. After the 1996 election, however, allegations against candidates and national parties persisted and escalated.

The Committee investigated a number of the allegations against the DNC during the last election cycle, taking 38 days of depositions, conducting 14 interviews,¹ receiving 5 days of public testimony,² and receiving over 450,000 pages of unredacted DNC documents.³ The Committee focused on how the DNC had performed its primary functions of (1) soliciting campaign contributions, (2) organizing fundraising and other events, and (3) spending its funds to promote the Democratic Party. After a thorough investigation, several serious problem areas emerged, which are set forth below.

Allegations against the RNC were not fully explored by the Committee, which took only two depositions⁴ and one day of public testimony from one RNC official.⁵ Even then, the Committee strictly limited the testimony to issues involving the National Policy Forum. In addition, the Committee only received 70,000 pages of RNC documents, many of which were heavily redacted, despite the fact that the RNC received a virtually identical subpoena as the one issued to the DNC.⁶ As discussed elsewhere in this report, the lack of information on the operations of the RNC leaves a major hole in the Committee's analysis of the 1996 election cycle. However, the sparse information that the Committee did receive strongly indicates that the RNC engaged in many of the same practices as the DNC and, as with the DNC, these practices were not new or unique in 1996.

The primary fundraising and spending activities of the DNC and the RNC during the last election cycle are addressed in this chapter. The remaining sections of Part 5 discuss in more detail both parties' practices of soliciting funds from federal property; organizing events for contributors which, in exchange for those contributions, often provided access to elected officials; and spending party funds by conducting political advertising.

FINDINGS

(1) The evidence before the Committee establishes that both political parties engaged in questionable fundraising practices. Both parties scheduled events at government buildings and promised access to top government officials as enticements for donors to attend fundraising activities or make contributions. Both parties used their presidential candidates to raise millions of dollars in soft money donations in addition to the \$150 million provided in public financing for presidential campaigns. Both parties worked with their candidates to design and broadcast issue ads intended to help their candidates' election efforts.

(2) The RNC's activities were subject to some of the same or similar problems as the DNC's activities. The RNC received foreign contributions, gave access to top Republican leaders for large contributions, held fundraising-related events on federal property, engaged in coordination between the Presidential campaign and the national party and used supposedly nonpartisan, tax-exempt organizations for partisan purposes.

(3) The compliance systems of the DNC in the 1996 campaign were flawed. Although the evidence before the Committee indicates that the DNC fundraising staff as a whole attempted to do their job in accordance with the law, isolated failures of supervision coupled with a compelling desire to raise more money led the DNC to accept hundreds of thousands of dollars in contributions it otherwise would not have accepted. Despite these problems, the overwhelming majority of contributions received by the DNC appear to have been legal and appropriate.

(4) The position taken by the Republican Party in the 1992 and 1994 election cycles that it had no obligation to investigate contributions or contributors is troubling. The evidence before the Committee is insufficient to evaluate the compliance procedures of the RNC during the 1996 election cycle. Because the Committee did not have the full cooperation of the RNC in complying with the Committee's subpoenas and requests for information (and the Committee failed to enforce the subpoenas), the Committee failed to fully assess the RNC's practices and procedures for insuring the legality and propriety of major contributions.

INTRODUCTION

In September 1996, just weeks before the November 1996 election, the Los Angeles Times published an article that raised questions about the legality of a contribution to the DNC from Cheong Am America, a California subsidiary of a South Korean corporation.⁷ The article alleged that the contribution may have been illegal because the subsidiary did not have sufficient domestic revenues to support its contribution of \$250,000. The DNC reviewed the circumstances surrounding the contribution, which had been solicited by a DNC fundraiser named John Huang,

and returned the entire \$250,000 after determining that it failed to meet the Federal Election Commission's (FEC) criteria for contributions from domestic subsidiaries of foreign corporations.⁸

Following this event, the news media increasingly published allegations that contributions made to the DNC were illegal or improper. Beginning in November 1996, with the assistance of outside law and accounting firms, the DNC conducted an internal review of the 1200 contributions over \$10,000 it had received in the 1996 election cycle. In addition, contributions solicited by Huang and Charlie Trie and those made by Trie, Johnny Chung or in connection with the Hsi Lai Temple or other Asian Pacific American Leadership Council events were also reviewed.⁹ By June 1996, before the Committee's hearings began, the DNC had returned 172 of those contributions, which represented .006% of the number of contributions made to the DNC. By September 1996, the total amount of contributions returned by the DNC for legal reasons amounted to .04% of the total raised by the DNC for the relevant 1994-1996 period.¹⁰ The internal review and returned contributions pointed to a number of problems within the DNC and focused attention on Huang -- both on the contributions he solicited and the fundraising events he helped to organize. In turn, questions were raised about the fundraising practices and guidelines of the DNC and about whether top DNC and White House officials had actively ignored those guidelines or federal law as they strove to raise money.

The fundraising practices examined by the media and explored by the Committee did not begin with this past election cycle. However, the amount of money -- especially large soft money contributions -- raised by both parties in 1995 and 1996 was unprecedented. In order to raise such large sums, both parties had dramatically increased their fundraising efforts.

The DNC stepped up its drive to raise money in the fall of 1995, when White House and DNC officials decided that the party would conduct a massive "media" campaign starting a full year before the presidential election.¹¹ According to White House Deputy Chief of Staff Harold Ickes, the media buy was designed to carry the Democratic Party's message to the American people, and the increased funds were designed to keep up with the Republican Party. He testified:

From the outset, moreover, we Democrats knew that we would have to do all that we could within the bounds of the law to get our message out to the American people. We knew that the Republican money machine would raise more than we could and would outspend us.

And guess what? They did -- by about \$222 million. The three major Republican national committees [the RNC, the National Republican Senatorial Committee and the National Republican Congressional Committee] spent over \$558 million in the 1996 election cycle, compared to approximately \$336 raised by their Democratic counterparts [the DNC, the Democratic Senatorial Campaign Committee and the Democratic Congressional Campaign Committee].¹²

In order to keep up with “the Republican money machine,” the DNC took aggressive fundraising steps, which included reaching out to new communities and soliciting contributions from donors that had not previously been tapped by Democrats for large contributions; organizing fundraising and other events to entice new donors; and spending the funds raised on media ads that supported the Democratic Party and its candidates. The DNC activities that later created controversy were its receipt of contributions from questionable sources; its use of the President and Vice President as part of its fundraising efforts; its organization of events that were controversial because of their location or the political access they afforded big contributors; and its coordination of media ads with White House and Clinton campaign staff.

Similarly, the Republican Party, which has out-raised the Democratic Party in every recent election, also undertook aggressive fundraising measures during the 1996 election cycle. The RNC solicited and received questionable contributions; organized events in order to promote contributions; and purchased media ads that supported the Republican Party and its candidates. The RNC activities that later created controversy were its use of tax-exempt organizations to raise money; its decision not to investigate or return certain questionable contributions; its use of federal property to court contributors; its organization of events that promised contributors access to Republican leadership; and its coordination of media ads with Dole for President staff.

These fundraising activities by both national parties were encouraged by the ability under current law to raise unlimited amounts of both hard and soft money and to legally spend this money in the proper hard-to-soft proportions to promote their issues as well as their candidates. The quest for money, and the practices used to acquire that money, will control our electoral system until meaningful campaign finance reform is enacted.

In examining the problems of the fundraising practices of the last few years, the Committee, over the strenuous objections of the Minority Members, chose to focus almost exclusively on the Democratic Party’s activities. Consequently, the evidence presented to the Committee was lopsided, coming primarily from the DNC, which cooperated with the Committee, spending over \$4.75 million (not including legal fees) to respond to the Committee’s requests.¹³ As a result, our description of how the parties operated during the last election cycle is heavily weighted to the DNC. Many questions about the internal workings of the RNC remain unanswered.

STRUCTURE OF THE NATIONAL PARTIES

The Democratic National Committee

During the 1996 election cycle and after the devastating 1994 mid-term elections, the DNC implemented a new, bifurcated chairman arrangement whereby Donald Fowler was the National Chairman, responsible for the day to day activities of the party, and Senator Christopher Dodd was the General Chairman, acting as the official spokesman for the party.¹⁴ The DNC's

executive director was Bobby Watson who served in this position until December 1995.¹⁵ In March 1996, B.J. Thornberry, former Deputy Chief of Staff at the Department of the Interior, took his place.¹⁶ The DNC's executive director functioned as a "staff director" and was responsible for the overall management of the personnel who work for the party.¹⁷

During the course of the 1996 election cycle, the DNC fundraising division employed anywhere from 50 to as many as 100 fundraisers.¹⁸ The fundraisers were supervised by a Finance Director who was a paid, full-time employee of the DNC and a Finance Chairman who was considered an officer of the party. Through January 1995 they were supervised by Laura Hartigan, Finance Director,¹⁹ and Terry McAuliffe, Finance Chairman²⁰ who left their respective DNC positions to assume the same positions at the Clinton campaign.²¹ In April 1995, Richard Sullivan took over as Finance Director for the remainder of the 1996 cycle.²² Truman Arnold, a Texas businessman and long-time DNC donor, took over for McAuliffe for a period of several months,²³ and Marvin Rosen took over for the remainder of the term.²⁴ Sullivan and Rosen testified that they reported and coordinated the activities of the Finance Division with Fowler.²⁵ Fowler, however, testified that he felt the Finance Division was too independent and that, as National Chairman, he was not able to oversee it as well as he would have liked.²⁶

Other key fundraising staff were the Deputy Finance Directors, David Mercer²⁷ (one of Charlie Trie's contacts²⁸) and Erica Payne;²⁹ the Director of the DNC's Managing Trustee Program, its highest dollar donor council, was Ari Swiller³⁰ and his Deputy Ann Braziel.³¹ Due to their sizable donations, many of the donors questioned during the Committee's investigation were members of the DNC Managing Trustee Program, members of which must either donate \$100,000 or raise \$250,000.³²

Joseph Sandler has been General Counsel of the DNC since February 1993.³³ His deputy, and the only other attorney in the DNC's Office of General Counsel during the 1995-96 cycle, was Neil Reiff.³⁴ Reiff had been with the DNC's Office of General Counsel since the spring of 1993.³⁵

In most cases, these individuals were interviewed and deposed for multiple days during the course of the investigation.

The Republican National Committee

During the 1996 election cycle, the chairman of the RNC was Haley Barbour and its executive director was Sanford McAllister. McAllister's immediate predecessor was Scott Reed who left the RNC in February 1995 to become Senator Dole's campaign manager.³⁶ The RNC's top political operative was Curt Anderson, whose title has been listed as both Political Director and Campaign Operations Director. Anderson and his assistant Ruth Kistler supervised the RNC's coordination of political activities with the Dole for President campaign as well as with independent groups.³⁷

The RNC's top fundraiser was RNC Finance Director Albert Mitchler. In March 1996, Mitchler was joined by Jo-Anne Coe, who was named RNC Deputy National Finance Chair. Coe is a longtime aide to Senator Dole, served as top fundraiser of the Dole for President committee until it raised the maximum funds permitted under FECA for presidential candidates who accept public financing, and also served as executive director of Senator Dole's tax-exempt organization, Campaign America. Coe now works with Senator Dole at a private law firm. Coe directed fundraising for media ads which the RNC produced in coordination with the Dole campaign.³⁸

Other key RNC fundraisers included Howard Leach, national finance chair; John Moran, a national finance chair and head of Victory '96, a key Republican Party fundraising organization; Tim Barnes, who served as chair of Team 100, a premier RNC donor program; and Karen Kessenich, chair of the Eagles, another top RNC donor program.³⁹

The RNC's general counsel was David Norcross. Its chief counsel was Thomas Josefiak. The RNC's communications and congressional affairs director was Ed Gillespie. Rich Galen was a frequent RNC spokesperson.

Because the Committee's attempts to depose Mitchler, Coe, Anderson, Kistler, and other RNC officials were not successful, it did not explore the structure of the RNC.

FUNDRAISING DRIVES

In the fall of 1995, White House officials, political advisors, and DNC officials decided to pursue a strategy that involved an extensive "media" campaign to communicate the message of the Administration and the Party.⁴⁰ Fowler set a goal for the DNC to raise a total of \$120 million over the course of 1996.⁴¹ In response, the DNC fundraising staff -- led by Rosen and Sullivan -- formulated a plan to raise the money using a variety of methods, including direct mail solicitations, major donor contribution packages, and fundraising and other events designed to encourage contributions of both hard and soft money. The DNC and the White House recognized that to meet this goal, tremendous pressure would be placed on all DNC staff, particularly the fundraisers, and that the involvement of the President and Vice President would be necessary. The plan proposed that the President or Vice President attend 100 to 150 events around the country in the next year and that the DNC organize a variety of fundraisers and other events, some within the White House complex.⁴²

The Committee was not afforded the opportunity to depose RNC officials or Republican political consultants, and therefore was not able to explore the special fundraising initiatives planned and implemented by the Republican Party in the 1996 election cycle. However, the Committee learned that, for many years, the Republican Party has solicited contributions through two principal donor programs: Team 100 and the Republican Eagles. Team 100 membership requires "an initial contribution of \$100,000" and contributions of \$25,000 per year for the next 3 years. Republican Eagle membership requires contributions of \$15,000 annually. To encourage individuals to join these programs, the RNC distributes promotional material describing the

benefits of membership, which include meetings and dinners with high-ranking Republican elected officials. This fundraising practice of exchanging access for contributions is discussed in Chapter 28. In addition, the 1996 election cycle witnessed a new Republican donor program which offered a variety of benefits to donors informally called “season ticket holders,” who contributed \$250,000 or more to the Republican Party.⁴³

SOLICITING CONTRIBUTIONS

A fundraising organization’s primary goal is to solicit and receive contributions for its cause. As part of its fundraising organization, the DNC had a staff structure that would (1) train and monitor its fundraisers and (2) screen incoming contributions for legality and appropriateness.⁴⁴ The Minority assumes the RNC had a similar structure, but was unable to investigate its existence or effectiveness.

During the 1996 cycle, however, both parties undertook their largest fundraising drives in history. In fact, both national parties more than doubled the amount they had raised just two years before: the DNC went from \$85.7 million to \$210.3 million and the RNC went from \$132.3 million to \$306.1million.⁴⁵ Considering such a dramatic increase in fundraising, the national parties, particularly the DNC did not adequately respond to such enormous pressure by improving old training and compliance systems to ensure against problems. The Committee found these problems in the DNC in particular, in light of the chosen focus of the investigation.

Training Fundraisers

The DNC’s Training Procedures and Problems

From 1993 to 1996, the DNC general counsel’s office, headed by Joseph Sandler and his deputy, Neil Reiff, worked with the Finance Division to ensure that the fundraisers were trained in the legal and appropriate way to solicit and accept contributions and to identify contributions which might not be legal or appropriate. The general counsel’s office conducted approximately eight separate group training sessions and numerous special sessions with groups of Finance Division staff.⁴⁶ At those sessions, the counsel’s office distributed and explained the DNC’s manual, written by the Office of General Counsel, which contained the legal restrictions for national party fundraising as well as the DNC’s own policies and guidelines. The general counsel’s office emphasized to the fundraisers that as they worked and talked to contributors, they should obtain an understanding of the contributors’ backgrounds and ability to comply with applicable laws and guidelines. Sandler and Reiff also emphasized to staff at these sessions that questions and problems should be brought to the attention of someone in the counsel’s office. The testimony and evidence received by the Committee demonstrate that the DNC manuals and training sessions were comprehensive and that Finance Division staff routinely sought the advice of the counsel’s office.⁴⁷

The DNC's training program seemed adequate: the program and manual were updated appropriately, and all DNC fundraisers who testified before the Committee stated that they went through the training and received the manuals.⁴⁸ However, with the large fundraising goal the DNC undertook to meet, this program could have used some strengthening as more fundraisers were hired.⁴⁹ A larger general counsel's office might have allowed for more active oversight of fundraisers' activities by attorneys familiar with nuances of the law. More frequent training sessions in smaller groups might have allowed for more personal contact with the lawyers. And, as the DNC reached out to new communities and contributors unfamiliar to the DNC, more diligent checks should have been conducted on new, large-dollar contributors. These types of improvements have since been made by the DNC.⁵⁰

John Huang was hired by the DNC in late 1995 to target the Asian-Pacific American community for Democratic fundraising. The evidence establishes that Huang attended a training session, a manual was found in his files, and after his first event he brought checks to Sandler for review which led Sandler to testify that he believed that Huang had a satisfactory knowledge of the laws and DNC guidelines under which he was to raise money.⁵¹ Shortly after this meeting, Huang initiated the return of two checks based on the questionable citizenship status of the donors.⁵² However, after this event, Huang solicited and accepted numerous contributions that later had to be returned by the DNC. The evidence presented to the Committee does not establish that these problems were indicative of the practices of the vast Majority of other DNC fundraisers during the 1995-96 cycle. See Chapter 4: John Huang.

The RNC's Training Procedures and Problems

The Committee was not afforded the opportunity to depose RNC officials, and, therefore, was not able to explore the procedures involved or the appropriateness of the training that the RNC provided to its fundraisers.

Contribution Compliance

Another aspect of the solicitation and acceptance of contributions by the national parties were the compliance systems established to screen incoming contributions for legality and appropriateness.

The DNC's Contribution Compliance and Problems

According to Sandler, the DNC's review for legality had two basic elements:

[O]ne, review of the contribution check and accompanying information; and two, training of the fund-raising staff to spot potential legal problems and to bring them to the attention of the office of the general counsel.⁵³

Sandler explained that the general counsel's office would review all incoming checks as well as the accompanying information provided by the contributors and consult the DNC donor database. Sandler or Reiff would then determine, in the case of "hard" money, whether the strict limitations on the source and amount of money had been met. The office would review similar information for "soft" money contributions.⁵⁴

The second element of screening checks for legality, as outlined by Sandler, was training the fundraising staff to spot problems and bring them to the attention of the general counsel's office.⁵⁵ Although this two-part system worked in the vast majority of cases, the training of fundraisers, particularly Huang, and the response to problems spotted by DNC staff generally, were not vigorously pursued.

Contributions to the DNC were also generally checked for appropriateness. From the spring of 1993 through May 1994, a DNC Research Department staff member was assigned to run public database searches to discover any controversial information regarding individuals who were to become substantial contributors. Sometime in May 1994, however, the staff person assigned to this task left the DNC, and the DNC Research Department did not reassign responsibility for conducting these searches to another staff member. Although public data searches were periodically conducted on new contributors, the screening system developed a hole that was not patched until after the 1996 elections.⁵⁶ However, had these searches continued, it is unclear whether the problems which led to the return of the majority of the returned contributions, such as Gandhi's \$325,000, Kanchanalak's \$190,000, Chung's \$275,000, or the Wiriadinatas' \$425,000 would have been detected.⁵⁷ However, in the case of the Gandhi contribution, information was available and was one reason the White House had initially declined to accept an award Gandhi had offered to the President.⁵⁸

In general, most of the contributions that were returned by the DNC were returned because the information provided was insufficient to determine the source of the funds for the contributions.⁵⁹ Some of these contributions are associated with individuals who were originally from a number of different Asian countries and whose citizenship or residency status was in question. Although there is no evidence that the DNC encouraged or was aware of the problems with these contributions or that they were associated with any one country, it is also clear that the DNC should have been more diligent in monitoring an inexperienced fundraiser who was placed in charge of tapping substantial contributions from a new community.⁶⁰

Monitoring the origins of campaign contributions is difficult because of the necessity for the national parties, as well as candidates' campaign committees, to rely on information presented by the contributor. In fact, several of the problematic contributions received by the DNC appeared at first to be entirely legal and appropriate and were only discovered to be problematic after a thorough investigation and audit; others involved the contributors giving false certifications to the DNC which were discovered and returned later.⁶¹ Currently, contributors are not required to certify at the time that they make a contribution that the information they have provided is accurate. Amending the law to require contributors to certify that they are U.S. citizens or

permanent residents and that they are contributing their own money, accompanied by penalties for false certification, would assist the parties and campaigns in complying with legal requirements.

The DNC has since improved many of its procedures. Among the changes the DNC made were (1) adding to the Office of General Counsel a compliance director with full responsibility to ensure contributions and solicitations comply with law and internal procedure; (2) creating Executive Compliance and Contribution Review Committees and; (3) requiring fundraisers to submit an annual certification of compliance. On the processing side of fundraising, the DNC has improved and specified the research to be done on donors and the process to be followed for returns. Finally, the DNC laid out new, detailed procedures for screening proposed guests at DNC events.⁶²

The RNC's Contribution Compliance and Problems

The Committee was not afforded the opportunity to depose RNC officials or receive a meaningful production of documents in order to explore the legality or propriety of the procedures the RNC used and the contributions the RNC solicited and accepted in the 1996 election cycle. This problem was aggravated by the RNC's failure to conduct a thorough investigation of its contributions and make that information available to the public.

Evidence was obtained by the Committee indicating that, during the 1992 and 1994 election cycles, the Republican Party took the position that it had no duty to investigate or verify any contributions or contributors. Rich Galen, a Republican Party spokesperson, told the press in 1992, "There's no requirement in practice or in law that a political organization or charitable organization get any kind of statement from a donor as to the origins of the money."⁶³ In 1993, deposition testimony provided by a top Republican fundraiser, Elizabeth Ekonomou, in connection with a questioned contribution provided by Michael Kojima, indicates that Republican fundraising committees believed they had no legal obligation to investigate any contributor or contribution, and provides no evidence of any standing policy or procedure to conduct such investigations.⁶⁴ Ekonomou stated under oath:

Q. Did the Dinner Committee do any kind of background search or verification regarding its top fundraisers?

A. No.

Q. Do you believe that the Dinner Committee has responsibility to do any kind of background verification or search about its fundraisers or top fundraisers?

A. No.

Q. In light of your experience and the concern that was raised in you after revelations of Mr. Kojima's outside activities, you continue to have no belief that the Dinner Committee has any kind of obligation to do any verification of the background of its top fundraisers?

A. I do not believe that the President's Dinner has any obligation to get background information on its top fundraisers.⁶⁵

Jan Baran, long-time legal counsel to the RNC and other Republican Party organizations, put it even more forcefully in 1993 legal pleadings filed with the U.S. District Court for the District of Columbia:

[P]olitical organizations such as the [Republican Dinner] Committee must be able to receive and use contributions. If they were required to investigate all contributors and establish a pedigree for all contributions, their First Amendment protected activities would be seriously handicapped The Federal Election Campaign Act of 1971, as amended, imposes no burden upon political organizations to investigate the solvency of contributors.⁶⁶

The unequivocal position of the Republican Party's longtime legal counsel, experienced fundraiser and designated spokesperson suggests that, in the years leading up to the 1996 election cycle, the Republican Party's policy was that it had no legal obligation to investigate either contributors or contributions, even if questions were raised about a particular donation. In addition, neither the civil litigation over the Kojima contribution nor subsequent investigative efforts by this Committee produced any evidence that standard procedures are in place in Republican fundraising organizations requiring the investigation and evaluation of large contributions from unfamiliar donors. Moreover, due to the failure of RNC officials to provide deposition testimony or cooperate with the Committee's investigation into RNC procedures, there is no evidence before the Committee which suggests that the Republican Party changed the policy it espoused in the 1992 and 1994 election cycles, or adopted another position during the 1996 election cycle.

There is also evidence before the Committee that the RNC has solicited and received funds that were possibly illegal or inappropriate and which should be refunded. As explored in Chapter 6, the RNC received funds in 1992 from Michael Kojima that were likely illegal. Kojima contributed a total of \$500,000 at a time when he was known to have meager resources and was being pursued by creditors. His contributions were likely derived directly from Japanese businessmen, and constituted one of the largest direct foreign contributions to a national party. Even though, in 1992, there were strong indications that Kojima's contribution was being financed by foreign money, the RNC to date has declined to return the funds. Other examples discussed elsewhere in this report include funding from the National Policy Forum, an arm of the RNC, that originated in Hong Kong, Taiwan and China, and direct contributions to the RNC of funds from German and Taiwanese nationals. The Minority believes that the RNC should return the funds from Kojima and the National Policy Forum and that a thorough public investigation of its other contributions is overdue.⁶⁷

Telephone Solicitations from Federal Property

The practice of soliciting political contributions by telephone, undertaken by current and former Presidents, Vice Presidents, and other elected politicians, is discussed in Chapter 26 of the Minority report.

ORGANIZING FUNDRAISERS AND OTHER EVENTS

The national parties also organized fundraisers and other events for their high dollar contributors and took steps to “service” them by intervening on their behalf for meetings with elected officials and providing other “political” access benefits. These practices are outlined below and discussed in more detail in Chapter 28 of the Minority Report.

DNC Events and Contributor Services

The Committee fully explored the DNC’s practice of organizing events in the White House complex, such as coffees with the President and Vice President; inviting a small number of individuals to attend those events that later generated controversy; and making requests on behalf of contributors to the executive branches.

During the 1996 cycle, it was unclear who was responsible for screening individuals proposed by the DNC to be guests at events to be attended by the President or Vice President. Richard Sullivan testified that he understood that the Finance Department was supposed to raise potential problems regarding these guests with White House personnel.⁶⁸ During the last election cycle, the DNC staff did raise such questions with White House staff. These questions, particularly those about foreign nationals who were proposed to be guests of contributors at DNC events, were then addressed on a case-by-case basis, primarily by White House personnel consulting with the relevant staff of the National Security Council. The Committee received evidence that when asked, the NSC staff provided more than adequate input on the appropriateness of the individual attending an event with the President or Vice President and, with a few notable exceptions addressed in detail later in this Minority Report, the recommendations were followed by the DNC. Problems arose, however, when the DNC did not raise questions to White House officials. In those cases, the White House and the NSC were not consulted and the DNC alone made the determination about whether the individuals were appropriate guests at events to be attended by a principal.⁶⁹

Although the White House has established new procedures to screen White House guests, during the 1996 election cycle, a number of individuals who later generated controversy attended events in the White House with the President or Vice President. These individuals, and the circumstances involved in their invitations to these events, are discussed in Chapters 29-31 of this Minority Report. In general, the Committee discovered that the DNC failed to heed warning signs about certain DNC contributors. Despite warnings about guests invited by John Huang and Johnny Chung, as well as those about Roger Tamraz, the DNC continued to invite these and other individuals to events in the White House. DNC Chairman Donald Fowler also was found to have contacted Executive Branch officials to promote contributors. His contacts on behalf of contributors included contacting Harold Ickes on behalf of the Chippewa Indian tribe, and the Treasury Department on behalf of an issue generally affecting Indian tribes, the Commerce Department on behalf of an individual who wanted to go on a Commerce Department trade mission and an individual who was interested in information on Minority business programs.⁷⁰

When questioned by the Committee about these practices, Fowler testified that although DNC employees are forbidden to intercede with the Administration on behalf of contributors, he confirmed that he did so on a regular basis. Fowler asserted that he did not believe that the DNC policy applied to him in his position as National Chairman.⁷¹ Further, Fowler admitted that many administration and DNC officials admonished him not to pursue these activities, but his contacts did not cease.⁷² Fowler's actions may not have been illegal, but they were clearly inappropriate.

The Committee also investigated allegations that the DNC rewarded contributors with spots on trade missions arranged by the Commerce Department. Despite numerous depositions and thousands of documents on this matter, these allegations were not substantiated by the evidence before the Committee.⁷³

The DNC has now adopted a system that requires several staff members located in different DNC divisions to conduct thorough database searches to both assess the appropriateness of accepting contributions from specific individuals or companies, and of inviting these individuals and their associates to attend fundraisers or other events sponsored by the DNC.⁷⁴ Likewise, the NSC has adopted a structured and thorough process that requires certain individuals invited to attend events at the White House to be screened by knowledgeable NSC staff.⁷⁵

RNC Events and Contributor Services

Despite repeated requests by the Minority, the Committee chose not to conduct depositions of RNC officials or require the RNC to conduct a meaningful document production regarding the Republican Party's organization of events and servicing of contributors. However, the Committee learned that during previous administrations, the RNC organized events inside the White House with contributors who raised issues of appropriateness, and made requests to Executive Branch officials on behalf of contributors. Those activities, which are similar to the DNC activities at issue, are discussed in detail in Chapter 28 of this Minority Report.⁷⁶

The evidence shows that since the 1970s, the RNC has routinely arranged for contributors to attend events held in the White House and to arrange events between contributors and Republican presidents, presidential candidates, and leaders in Congress. In addition, when inviting contributors to such events, the RNC has included several individuals who later generated controversy.⁷⁷ This is not surprising considering that Judith Spangler, a White House career employee testified that during her 18 year tenure, administrations have handled invitations to RNC and DNC events at the White House in the same way as the current Administration handled similar invitations from 1993 to 1997.⁷⁸

Not surprisingly then, the Committee received evidence that several controversial RNC contributors attended private dinners or meetings inside the White House where President Bush was in attendance. These individuals include Michael Kojima, whose foreign contributions to the RNC afforded him the opportunity to sit next to President Bush at an RNC fundraiser in 1992; Yung Soo Yoo who attended a state dinner at the White House with President Bush in 1991,

despite being a convicted felon with known ties to the Korean Central Intelligence Agency; and James Elliott, who attended private White House meetings in 1992, despite having been convicted of bank fraud in 1986.⁷⁹

The Committee learned that the RNC contacted Bush Administration officials on behalf of substantial contributors. For example, in the late 1980s and early 1990s, then RNC Chairman Lee Atwater and Team 100 Chairman Alec Courtelis forwarded the names of several substantial contributors to President Bush's Commerce Department Secretary Robert Mosbacher. Mosbacher, who had been President Bush's campaign manager in 1988, rewarded these contributors by appointing them to positions with such government entities as the President's Export Council.⁸⁰

Both parties use federal property to hold events for, provide political access for, and contact administration officials on behalf of, substantial contributors. These are well-known and common practices in Washington and can be accomplished without violating any law.

SPENDING PARTY FUNDS

In addition to soliciting political contributions and organizing events and other perks for contributors, both national parties spent their funds with the intent of furthering their issues and their candidates. Such expenditures are legal, but federal law limits to \$12 million the amount a party can spend "in connection" with its presidential candidates. That \$12 million limitation applies only to those party funds that carry an "electioneering message" advocating the election or defeat of a clearly identified candidate. Therefore, when the DNC and RNC spent millions of dollars on "issue ads" in the last election cycle, they argued that because the ads focused on issues, and did not advocate the election or defeat of a clearly identified candidate, they did not count toward the \$12 million limit.⁸¹

Presidential campaign committees that accept matching funds are also limited in the amount of money they can spend in connection with the nomination of their presidential candidates. In 1995, both the Clinton Campaign and the Dole for President campaign accepted matching funds and therefore were limited to spending \$37 million in federal dollars in connection with the nomination of their candidate, and \$74 million in connection with the general election. Both campaigns claimed that the issue ads run by their parties did not advocate the election of their candidates and therefore fell outside the \$37 million and \$74 million limits.⁸²

The Committee heard allegations that the DNC, the RNC, the Clinton Campaign, and the Dole for President campaign all violated these federal restrictions on expenditures. The allegations were based on two assumptions: (1) that the DNC and RNC issue ads, in reality, carried electioneering messages advocating the election or defeat of a clearly identified candidate and that, therefore, the funds expended on these ads should have been counted toward the parties' \$12 million limit and the presidential campaigns' \$37 and \$74 million limits, and (2) that because

both the DNC and RNC coordinated with their candidates, all “issue ads” that had input from the candidates -- regardless of the content of the ads -- should be counted toward the party’s \$12 million limit and the presidential campaigns’ \$37 and \$74 million limits.⁸³

These two assumptions formed much of the public debate on this issue, but are either not valid, or not clear, under current federal election law, as explained in detail in the legal analysis in Chapter 24. Parties are allowed to coordinate with their candidates, in particular their presidential candidates, and may work closely with their candidates to develop, finance and place issue ads.⁸⁴ Coordination between a national party and its candidates does not turn “issue ads” into “candidate ads” simply because coordination occurred.⁸⁵

Chapters 32 and 33 of this Minority Report set forth the DNC and RNC activities in coordinating with its candidates and broadcasting issue ads. Both parties made use of the existing legal loopholes for soft money and issue ads to bypass the spending limits that apply to presidential campaigns that accept federal funds. Although neither party broke the law, the RNC came closer to crossing the line between issue ads and candidate ads.

DNC’S SPLITTING CONTRIBUTIONS BETWEEN HARD AND SOFT MONEY ACCOUNTS

As discussed in greater detail in Chapter 26, the Committee investigated the legality and appropriateness of the telephone solicitations made by the Vice President. In the course of that investigation, the Committee discovered that some of the contributions solicited by the Vice President were diverted into hard money accounts by DNC officials. Specifically, according to FEC records, 20 individuals called by the Vice President made contributions to the DNC within 30 days of receiving a phone call from him.⁸⁶ The DNC received \$737,750 from these 20 individuals and deposited \$605,750 into its non-federal soft money account. The DNC deposited \$132,000 donated by eight of the 20 individuals into its federal hard money account.⁸⁷ The Minority found that the Vice President was not aware of these diversions, and that the DNC’s practice of diverting soft money contributions into hard money accounts without the knowledge or permission of the original contributor was clearly inappropriate.

CONCLUSION

After media attention and its own internal review, the DNC returned less than 200 contributions out of more than 3 million it had received during the 1996 election cycle. The contributions that were returned based on legality totaled just over \$1 million, as did the contributions returned based on the DNC’s inability to verify their legality or based on the DNC’s determination that they were inappropriate. Thus, the contributions that generated the campaign finance fundraising scandal of 1996, and investigated by the Committee, totaled approximately \$2.8 million and represented .006% of the contributions received by one national party. As of

September 1997, the total amount of contributions returned by the DNC for legal reasons amounted to .04% of the total raised by the DNC during the relevant 1994-1996 period.

ENDNOTES

1. Interviews and Depositions by Committee Staff as of 1/24/98.
2. See http://www.senate.gov/~gov_affairs/witness.htm, witnesses who have testified during the Special Investigation hearings.
3. Letter from Chairman Thompson to Roy Romer, 7/23/97; Minority staff telephone conversation with Paul Palmer of Debevoise & Plimpton, counsel to the DNC.
4. Interviews and Depositions by Committee Staff as of 1/24/98.
5. See http://www.senate.gov/~gov_affairs/witness.htm, witnesses who have testified during the Special Investigation hearings.
6. Subpoena # 64 (DNC) and # 65 (RNC), http://www.senate.gov/~gov_affairs/subpoena.htm.
7. Los Angeles Times, 9/21/96.
8. Los Angeles Times, 9/21/96. The test for a contribution to a national political party from a domestic subsidiary of a foreign corporation is discussed in Chapter 1, and the Cheong Am America contribution is discussed in Chapter 4.
9. Exhibit 62: DNC In-Depth Contribution Review, 2/28/97, DNC 0134-145.
10. DNC press release, "DNC Refunds Contributions," 6/27/97; Joseph Sandler, 9/10/97 Hrg., p. 3.
11. Donald L. Fowler deposition, 5/21/97, pp. 291-294.
12. Harold Ickes, 10/7/97 Hrg., p. 84. The \$558 million of spending by the Republican national committees included spending by the RNC, the NRSC, and the NRCC. The \$336 million of spending by the Democratic national parties includes spending by the DNC, the DSCC, and the DCCC.
13. The Washington Post, 1/19/98.
14. Donald L. Fowler deposition, 5/21/97, p. 23.
15. Staff interview with Bobby Watson, 4/25/97.
16. B.J. Thornberry deposition, 5/20/97, pp. 6-7.
17. B.J. Thornberry deposition, 5/20/97, pp. 16-17.

18. Richard L. Sullivan deposition, 6/4/97, pp. 75.
19. Laura Hartigan deposition, 9/16/97, p. 7.
20. Terence McAuliffe deposition, 6/6/97, p. 8.
21. Laura Hartigan deposition, 9/16/97, pp. 7-8; Terence McAuliffe deposition, 6/6/97, p. 9.
22. Richard L. Sullivan deposition, 6/4/97, p. 32.
23. Truman Arnold deposition, 5/16/97, p. 8.
24. Marvin S. Rosen deposition, 5/19/97, pp. 12-13.
25. Richard L. Sullivan deposition, 6/4/97, p. 62-66; Marvin S. Rosen deposition, 5/19/97, p. 27.
26. Donald L. Fowler deposition, 5/21/97, pp. 45-46.
27. Mercer was deposed by the Committee on 5/14/97, 5/27/97 and 6/11/97.
28. David Mercer deposition, 5/27/97, p. 7.
29. Payne was deposed by the Committee on 5/7/97.
30. Swiller was deposed by the Committee on 5/6/97 and 5/7/97.
31. Ann Brazil deposition, 5/13/97.
32. Jacob Aryeh Swiller deposition, 5/6/97, p. 16.
33. Joseph E. Sandler deposition, 5/15/97, p. 16.
34. Neil Paul Reiff deposition, 6/20/97, p. 11.
35. Neil Paul Reiff deposition, 6/20/97, p. 6.
36. Scott Reed deposition, 7/11/97, p. 8.
37. See Chapters 10 and 33.
38. See Chapter 33.
39. See Chapter 28.
40. Donald L. Fowler, 9/9/97 Hrg., pp. 118-122.
41. Richard L. Sullivan deposition, 6/4/97, p. 77.

42. Richard Sullivan deposition, 6/4/97, pp. 77-78.
43. Washington Post, 1/27/97.
44. See Joseph E. Sandler deposition, 5/15/97 and Neil Reiff deposition, 6/20/97.
45. FEC press release, 3/19/97, "FEC Reports Major Increase in Party Activity For 1995-96.
46. Donald L. Fowler, 9/9/97 Hrg., p. 75; Richard L. Sullivan, 7/9/97 Hrg., p. 33; Joseph Sandler, 9/10/97 Hrg., p. 6.
47. See Joseph E. Sandler deposition, 8/21/97; Neil Paul Reiff deposition, 6/20/97, Exhibits 6-14: DNC 1484624 - 627; DNC 1484604 - 610; DNC 1484892 - 903; DNC 1485662 - 675; DNC 1680464 - 465; DNC 1679038 - 041; DNC 1679913 - 917; EOP 053158 - 161; Memorandum which includes rules governing contributions from foreign sources, 11/27/95. This memo underscores, among other things, that each potential contribution from a U.S. subsidiary of a foreign-owned company must be examined on a case-by-case basis by the general counsel's office; List of "Questions to Ask Before Accepting Contributions from Foreign Nationals."
48. Donald L. Fowler, 9/9/97 Hrg., p. 75; Richard L. Sullivan, 7/9/97 Hrg., p. 33.
49. Richard L. Sullivan, 7/9/97 Hrg., p. 32. Sullivan testified that at the peak, there were as many as 100 fundraisers on staff.
50. See Joseph Sandler deposition, 8/21/97, Exhibit 11: "Policies and Procedures of the Democratic National Committee Regarding Compliance with Campaign Finance Laws," DNC 0132-0161.
51. There was a dispute that arose during the testimony regarding the method of training for Huang. No one maintained that Huang was not trained -- indeed, the testimony has been unequivocal that every DNC fundraiser was in fact trained. However, Sullivan testified that he believed that Huang was trained in a private one-on-one training session, while Sandler stated that he believed Huang was trained in a group training session, as was done for every other fundraiser. Richard L. Sullivan, 7/9/97 Hrg., p. 138; Joseph E. Sandler, 9/10/97 Hrg., p. 12-13. Testimony from Sam Newman, head of the DNC's National Finance Council, supports Sandler's recollection of the training of Huang, having testified that he saw Huang at a group training session. Sam Newman deposition, 7/17/97, p. 142.
- Moreover, Sullivan's recollection of a private training session for Huang may stem from a meeting Sandler had with Huang after his first fundraiser in February 1996 at which Sandler reviewed contributions that Huang received from the event and reviewed with Huang the rules relating to contributions. Joseph E. Sandler deposition, 8/21/97, pp. 16-21.
52. Joseph E. Sandler deposition, 8/21/97, pp. 21-28.
53. Joseph E. Sandler, 9/10/97 Hrg., p. 4.

54. Joseph Sandler deposition, 8/21/97, Exhibit 9: Checklist used by DNC staff during 1995 and 1996. It outlines at least 40 separate steps that were required to ensure the proper screening and processing of contributions. The steps included examining the check and tracking form information for possible prohibited sources, including foreign nationals.

55. Joseph E. Sandler, 9/10/97 Hrg., p. 8. Richard Sullivan and Donald Fowler confirmed that they believed that all DNC fundraisers were trained. Richard L. Sullivan, 7/9/97 Hrg., p. 138.

56. Joseph E. Sandler, 9/7/97 Hrg., pp. 7-8; See also Rumi Matsuyama deposition, 6/10/97.

57. Joseph E. Sandler, 9/10/97 Hrg., pp. 9-10. John Huang admitted to Joseph Sandler that he failed to ask the correct questions in connection with the Cheong Am contribution. Joseph E. Sandler, 9/10/97 Hrg., p. 13; See also, Chapter 4.

Joseph Sandler testified:

Pauline Kanchanalak was known to be and is a legal permanent resident with substantial business interests, income, and assets. We had no reason to question her contributions at the time they were received. Neither Nexis nor any other database research would have revealed anything untoward. She deliberately deceived the DNC for at least 4 years. Only in November 1996 did she suggest that the funds she had contributed to the DNC really came from her mother-in-law. No system we reasonably could have maintained would have caught that deception. Although her mother-in-law herself is apparently a legal permanent resident and the contributions may well have been lawful, we determined not to retain them in view of the deception.

Joseph Sandler testified:

The Wiriadinatas first contributed to the DNC in November 1995, and Mrs. Wiriadinata at that time, I believe, contributed \$15,000. They lived in Virginia when that first contribution was made. After John Huang came to the DNC, he continued to solicit them. Soraya Wiriadinata was known by Mr. Huang to be the daughter of a billionaire. The Wiriadinatas' checks continued to bear that same Virginia address. A Nexis search would have revealed nothing. No one at the DNC, except perhaps Mr. Huang, knew that the Wiriadinatas had left the United States in December 1995. Even if we had known that and undertook the same legal analysis we later undertook, it's very likely we would have concluded--we would have accepted their contributions since, when we later did that analysis, we concluded that legal permanent residents may lawfully contribute to non-Federal accounts of political parties even if they are temporarily absent from the U.S.

Joseph Sandler testified in hearings before this Committee on September 10, 1997:

Johnny Chung is a U.S. citizen. He was known to have a blast fax

business, which has been used, apparently successfully, by California Governor Pete Wilson, among others. Had we run a Nexis check of Mr. Chung throughout the period he contributed up until May 1996, it would have revealed nothing more of great interest than the fact that Mr. Chung's business had, as of 1994, government and political clients in 39 States, that Mr. Chung had lived in the United States for many years and had owned other successful businesses, and that, like many U.S. businessmen, he had visited China to promote his business. Joseph E. Sandler, 9/10/97 Hrg., pp. 8-11.

Joseph Sandler also explained in his deposition on May 30, 1997:

Johnny Chung's name may have come up, and it's hard for me to distinguish it from conversations with them and conversations that I had with people at the DNC. But there was--there was a--I don't know if I discussed this with them, but there were conversations that I recall that took place about a, for lack of a better word, a brochure or scrapbook that Johnny Chung maintained with pictures of himself with Governor Wilson and with Newt Gingrich and Bob Dole and the President and various other--the Vice President and various other administration officials, and that there was concern about the appropriateness of his maintaining that book for business purposes. Joseph Sandler deposition, 5/30/97, p. 46.

Joseph Sandler testified:

In May 1996, when his contribution was made, Yogesh Gandhi had an internationally renowned foundation dedicated to promoting the principles of Mahatma Gandhi, whom Yogesh Gandhi claimed was his relative. A Nexis search as of May 1996 would have revealed that the foundation's world peace and humanitarian awards had been presented to former Presidents Ronald Reagan and Jimmy Carter, Mother Teresa, Mikhail Gorbachev, Shirley Temple Black, and former Philippine President Corazon Aquino, among others. A Lexis check would have revealed a small claims court judgment and a routine State tax lien for a few thousand dollars. In other words, there was no real reason to question Gandhi's contribution until a newspaper story in late October 1996, citing the transcript of a small claims court proceeding in California in which Mr. Gandhi stated that he had no assets in the U.S. That proceeding itself didn't take place until August 1996--3 months after Mr. Gandhi's contribution was made. The text of this transcript was unavailable through any database research. Joseph E. Sandler, 9/10/97 Hrg., pp. 9-10.

58. See Chapter 21.

59. DNC Press Release, "DNC Refunds Contributions", 6/27/97.

60. Huang was the DNC contact for many of the returned contributions; however, he was not necessarily the person who introduced these contributors to the DNC. At least half of the amount of the returned contributions is attributable to four sources: Pauline Kanchanalak who had been contributing to the DNC long before Huang started working there; Yogesh Gandhi who was solicited directly by Charlie Trie (whose involvement with the DNC predates Huang); Johnny Chung, with whom Huang has no connection; and Arief and Soraya Wiriadinata, whom Huang met due to Soraya's father's relationship the Riadys. While Huang may be credited as the DNC contact for these contributions based on his responsibility for Asian American fundraising and their attendance at events he organized, only the Wiriadinatas are contributors he introduced to the DNC. Huang's activities are examined in detail in Part 1 of this report. See Chapter 4.

61. DNC Press Release, "DNC Refunds Contributions," 6/27/97; Joseph E. Sandler, 9/10/97 Hrg., pp. 1-17.

62. Joseph Sandler deposition, 5/15/97, Exhibit 11: "Policies and Procedures of the Democratic National Committee Regarding Compliance with Campaign Finance Laws," DNC 0132-0161.

63. Column by Laws-Erik Nelson in San Diego Union-Tribune, 5/14/92.

64. See Chapter 6 on Michael Kojima, *supra*.

65. Elizabeth Ekonomou deposition, 4/8/92, pp. 102-103. For more information, see Chapter 6 on Michael Kojima.

66. Pleading filed by Baran on July 22, 1993, on behalf of the Republican Senate-House Dinner Committee. For more information, see Chapter 6 on Michael Kojima.

67. See Chapters 3 and 6.

68. Richard L. Sullivan deposition, 6/4/97, p. 106.

69. Sullivan deposition, 6/4/97, pp. 105-108; Hancox deposition, 6/9/97, pp. 58-59. Interestingly, as with the screening of contributions, the problems that arose may not have been rectified by the improved procedures that are now in place. While it is clear in retrospect that Roger Tamraz should not have been permitted to attend events at the White House, the fundraising staff did raise questions relating to Mr. Tamraz and disinvited him from a coffee as a result of the negative information that was received from the NSC. However, the DNC did continue to invite him to events largely based on Fowler's activities. Exhibit 1117: Memorandum to DNC Chairman Donald Fowler from DNC Finance Division staff member Alejandra Y. Castillo, 7/12/95, DNC 3116351-53; Exhibit 1127: Memorandum to Vice President from Leon Fuerth, 9/13/95, EOP 45766-67; Roger Tamraz deposition, 5/13/97, pp. 31-33.

70. See generally Donald L. Fowler, 9/9/97 Hrg. and Donald L. Fowler deposition, 5/21/97.

71. Donald L. Fowler, 9/9/97 Hrg., p. 214.

72. The General Counsel to the Treasury Department contacted the DNC (Joe Sandler) and asked that he stop Fowler's practice of writing letters to Secretary Rubin. Donald L. Fowler deposition, 5/21/97, Exhibit 33. The Chief of Staff of the Department of Commerce told Fowler that his contact on behalf of the Hathaway Shirt Company was inappropriate. Joseph Sandler deposition, 5/15/97, Exhibit 38. Sosnik told Fowler that he should not contact Administration officials on behalf of donors. Douglas Sosnik deposition, 6/20/97, pp. 209-210.

73. See Melissa Moss deposition, 6/11/97.

74. Joseph Sandler deposition, 5/15/97, Exhibit 11: "Policies and Procedures of the Democratic National Committee Regarding Compliance with Campaign Finance Laws," DNC 0132-0161.

75. See Chapter 26.

76. See Chapter 28.

77. See Chapter 31.

78. Judith Spangler deposition, 5/9/97, pp. 39-40.

Q: In the Reagan-Bush White House, did the Office of Political Affairs from time to time provide lists of people to be invited?

A: Yes.

Q: Did it do so frequently?

A: May I explain?

Q: Yes.

A: That for almost every event, different offices within the White House submit names to the social secretary; names of people that they would like to have invited to a dinner or a luncheon or some type of reception, or an event.

Q: Has that been so in every White House in which you have worked?

A: Yes.

Q: That for events, receptions, dinners, lunches, events of every kind, the Office of Political Affairs in those White Houses has submitted lists of invitees?

A: Yes.

Q: So that the Clinton-Gore White House is not the first White House which has done that?

A: No.

Q: In earlier administrations did it occasionally occur that the Republican National Committee would supply names of invitees?

A: Yes, they did.

Q: Was that so in the Reagan-Bush White House?

A: Yes.

Q: Was it so in the Bush-Quayle White House?

A: Yes.

79. See Chapter 31. See also, for example, Washington Post, 4/28/92.

80. See Chapter 28.

81. See Chapters 24, 32 and 33.

82. See Chapters 24, 32 and 33.

83. See Chapters 24, 32 and 33.

84. See Chapters 24, 32 and 33.

85. See Chapters 24, 32 and 33.

86. Summary of Vice President Al Gore's phone call records, Appendix.

87. There is evidence which suggests that only 6 of the 8 individuals who gave a donation that was subsequently deposited, in part, into the DNC's Federal hard money account made their contribution in response to a phone call from Vice President Gore. John Catsimatidis donated \$10,000 to the DNC that was subsequently deposited in a Federal hard money account two days after records show him receiving a call from the Vice President. However, Thomas Galvin, of the New York Daily News, wrote on August 5, 1997, that "Catsimatidis said he never spoke with Gore -- 'I talk with the No. 1 guy, not the No. 2 guy,' he said." Catsimatidis's statement that he never spoke to the Vice President combined with the fact that the phone records indicate that the Vice President only left a message for Catsimatidis strongly indicates that he did not make the contribution in response to the Vice President's phone call. N.Y. Daily News, 8/5/97.